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Performance Audit Division:
An Economic Development Bond Audit
Nissan North America
Canton, Mississippi
2012, 2013, 2014 Employee Verification
Vol. 10, No. 2
August 1, 2017

The Office of the State Auditor (OSA) monitors the expenditure, employment, construction, and in some cases, the productivity of a number of State-funded major economic development projects. Chapter 75, Title 57 of the Mississippi Code of 1972, Annotated, is the Mississippi Major Economic Impact Act (MMEIA) and has historically been used by the Legislature to structure major economic projects such as Nissan North American, Inc. (Nissan) located in Canton, Mississippi.

Under MMEIA, the State Bond Commission is given the power to borrow money and issue general obligation bonds to projects the State declares as major economic projects. Bonds are defined in MS Code §57-75-5. The lead agency of economic development is the Mississippi Development Authority (MDA); which is responsible for creating opportunities that bring economic development to communities and greater employment opportunities to workers and businesses throughout the State.

The following is a brief onsite analysis of the Nissan audit. Beginning on Monday, May 8, 2017, the OSA performed an audit of the accuracy and reliability of Nissan's employment data for years 2012, 2013, and 2014. As a legislatively approved major economic impact bond project §57-75-5(f)(iv), the State Bond Commission authorized a total of \$364 million in general obligation bonds during the 2000 Third Extraordinary Legislative Session for the Nissan project. This audit was conducted to ensure the company's commitments were met and that the State bond funds were expended appropriately. The OSA conducted an audit of the automobile manufacturer to determine whether Nissan met its obligations according to the Delta I and II Project Memorandums

of Understanding (MOU) signed in 2001 and 2002, respectively. The MOU requires Nissan to maintain a minimum of 3,000 direct jobs until April 1, 2021; at which time, OSA will conclude its monitoring oversight.

The audit utilized Nissan's current employee listing for the years 2012, 2013, and 2014. OSA examined and verified a 5% sample for each year of the following data elements: date of hire, evidence the employee was employed as of December 31, 2012, 2013, and 2014, and that employment was traceable to W-2 and W-4 tax forms as well as payroll documents provided by Nissan. ***Based on the OSA's test procedures, Nissan has met its obligation to the MOU mentioned above and has maintained a minimum of 3,000 direct jobs.*** OSA's procedures verified Nissan directly had **3,558** jobs in **2014**; **3,224** jobs in **2013**; and **3,215** jobs in **2012**. The chart below indicates the total number of jobs at the Canton, MS facility.

Audit Year	Direct Jobs	Indirect Jobs	Total Jobs
2012	3,215	2,594	5,809
2013	3,224	3,265	6,489
2014	3,558	3,516	7,074

In conclusion, the overall accomplishments of the Nissan project appear to be a success to the State of Mississippi. OSA notes the Legislature's economic goal for this project was met, jobs were created and/or maintained, and investments were made.